

conversation with Av Lieberman

Av Lieberman had a 28-year career in the life insurance industry when he was downsized out of his job at the age of 50. "It was a shocking experience for me. I had never been unemployed, and I had no exit strategy, no vision of what I wanted to do with the rest of my life," he recalled. Two years later, Lieberman started The Retirement Education Centre Inc. in Waterloo, Ontario. Employers contract with the company to teach its preretirement education and lifestyle transition planning program to employees. Lieberman discussed the importance of planning for the lifestyle side of retirement with editor Kathy Bergstrom, CEBS.

Explain the concept of the "old" retirement and the "new" retirement.

Back in the day, you had no choice but to retire. You got to 65, you got the handshake and the gold watch, if you were lucky, and out the door you went. People didn't do much in the way of planning because they weren't going to be around for very long. Life expectancy was much shorter. So people put their feet up and waited to pass on. Dying at a relatively young age of the early to late 70s was not unusual.

Today we know that being less active hurts your longevity. The new retirement means that you can do anything you want to do. Maybe it's a part-time job, going back to school and taking courses, volunteering—The choices are limitless. The challenge is figuring out what's going to make you happy and satisfy you. The core issue is to retire to something, not from something.

Why is it important to plan for the new retirement?

We all get used to living in a structure, and you start to learn about structure when you're a child. The need for structure continues for most of your life. In the working world, your employer is calling the tune on structure—your hours of work, your responsibilities. You get comfortable in that structure, and then you get to the stage in your life called retirement where you can do pretty much what you want to do. The problem is that if you transition into retirement without a structure to go to, you're not going to be a very happy or satisfied person.

We recommend that people take time off when they retire to recharge their batteries, do some traveling, etc. But at some point most people are going to get itchy and want to get involved in something, and figuring out that new structure becomes a key issue.

We see two kinds of people. There are those who are unhappy. They've retired from something and they're looking backward and they don't have a structure that's challenging and motivating. And then we have people who are very happy in retirement because they have figured out a new structure that satisfies them.



Av Lieberman

When should people start planning?

When a company asks us for guidance as to who they should offer our program to, we always say aged 40 and up. But inevitably we get a few young people in their 30s who aren't really ready to start doing some hard planning, but they want to understand the issues in planning for the future.

How does lifestyle transition planning fit in with the financial retirement planning most people are familiar with?

Most people doing financial planning are basing it on rules of thumb and laws of averages. There hasn't been a process presented to them up-front that helps them develop that vision that I talk about. The reality is that until you have those clear goals and objectives—the vision—there is no way to accurately price how much is enough for your retirement.

What questions should people ask themselves in planning for the retirement lifestyle transition?

There are six key questions to help you formulate that vision, and they are: How will I spend my time? What do I really like to do? What's going to keep me motivated? Do I want a second career? Do I want to work part-time? How will my family be affected?

The problem is that virtually everybody needs a step-by-step process that forces them to think their way through the issues in these six questions. If you think of yourself sitting at your kitchen table with a clean sheet of paper trying to answer questions like these, the fact is after a half an hour or so, most people will have a clean sheet of paper because there's no context, no direction. Having access to a transition process, which can even be done on the Internet, will give them some direction to think through these issues in a step-by-step, organized fashion.

What role can or should plan sponsors play in helping members with this process?

The key word is education. Years ago the feeling among corporations almost unanimously was that they did not have a responsibility to provide generic education. But in recent years there has been a shift in thinking, and employers recognize their employees, by and large, are not educated about the issues in planning for retirement. So for an employer that feels a responsibility to its employees, providing relevant retirement education to help employees makes a great deal of sense. More and more companies are doing it.

Many people think about continuing to work past traditional retirement age but retire earlier because of job cutbacks, health problems, family caregiving obligations, etc. How does the type of retirement planning you advocate fit in with that trend?

If you're in a forced retirement situation, you still need to find that structure that works for you, and using a transition planning process to help you figure it out can be very helpful. Otherwise you drift. You go from one situation to another. You waste a lot of time. It's not too late to plan for the transition, but you need a process to help you work through the issues. If you're in a relationship, then your spouse or partner should be included in the discussion. Remember you need to retire to something, not from something.

plans & trusts

education | research | information

Reproduced with permission from *Plans & Trusts*, Volume 33, No. 6, November/December 2015, pages 19-20, published by the International Foundation of Employee Benefit Plans (www.ifebp.org), Brookfield, Wis. All rights reserved. Statements or opinions expressed in this article are those of the author and do not necessarily represent the views or positions of the International Foundation, its officers, directors or staff. No further transmission or electronic distribution of this material is permitted.



pdf/1015